



Reprinted
February 24, 2007

HOUSE BILL No. 1470

DIGEST OF HB 1470 (Updated February 23, 2007 4:09 pm - DI 113)

Citations Affected: IC 36-7.

Synopsis: Sales tax increment financing. Provides that a redevelopment commission outside of Marion County may establish a sales tax increment financing area (area) to capture 25% of the sales and use taxes remitted by businesses that begin operating in the area after the area is established. Provides that the body acting as a redevelopment commission in Marion County may establish a sales tax increment financing area (area) to capture 50% of the sales and use taxes remitted by businesses that begin operating in the area after the area is established. Provides that the sales and use taxes captured in a sales tax increment financing area may be used to make beneficial improvements that would not otherwise be made as a result of regulatory processes or the ordinary operations of private enterprise. Provides that every occupant of an area established outside of Marion County must be a retail merchant. Provides that an area established outside of Marion County must terminate not later than 20 years after a sales tax increment is first distributed to the redevelopment commission that established the area. Provides that an area established in Marion County must terminate not later than 30 years after the resolution establishing the area is adopted.

Effective: July 1, 2007.

Reske, Borrer, McClain, Tyler

January 23, 2007, read first time and referred to Committee on Ways and Means.
February 20, 2007, reported — Do Pass.
February 23, 2007, read second time, amended, ordered engrossed.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1470

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 36-7-14-49 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2007]: **Sec. 49. (a) Subject to subsections (b) and (c), a sales tax**
4 **increment financing area designated under section 50 of this**
5 **chapter may comprise all or part of one (1) or more of the**
6 **following geographic areas within the redevelopment district:**

7 (1) **A circular area having a radius of one-fourth (1/4) mile**
8 **centered on a highway interchange, at least one (1) highway**
9 **of which is an interstate highway.**

10 (2) **An area extending outward from the perimeter of an**
11 **airport for two thousand five hundred (2,500) feet.**

12 (3) **An area extending for five hundred (500) feet on each side**
13 **of the center line of one (1) or more of the following systems:**

14 (A) **Recreational trails.**

15 (B) **Commuter rail lines.**

16 (4) **A circular area having a radius of one hundred (100) feet**
17 **centered on a public or private bus stop.**

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(5) A parcel that includes any part of an area described in subdivisions (1) through (4).

(b) All or part of a geographic area described in subsection (a) may be included in a sales tax increment financing area designated under section 50 of this chapter only to the extent that the geographic area is not part of an area or a district in which a state gross retail or use tax increment is captured under this chapter or any other law.

(c) A zoning or similar ordinance must restrict the occupancy of each parcel in a sales tax increment financing area to a person that is a retail merchant (as defined in IC 6-2.5-1-8).

SECTION 2. IC 36-7-14-50 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 50. (a) Subject to section 49 of this chapter, a redevelopment commission may, by following the procedures set forth in sections 17, 51, and 52 of this chapter, approve a plan for and designate a sales tax increment financing area.

(b) Subject to section 49 of this chapter, a redevelopment commission may, by following the procedures set forth in sections 17, 51, and 52 of this chapter, modify a plan for or the boundaries of a sales tax increment financing area.

(c) A final action taken by a redevelopment commission under section 17(d) of this chapter concerning a sales tax increment financing area is subject to judicial review in accordance with section 18 of this chapter.

(d) Notwithstanding any other provision, only one (1) sales tax increment financing area may be designated under this chapter in a particular county. After that sales tax increment financing area terminates under this chapter, no additional sales tax increment financing areas may be designated under this chapter in that county.

SECTION 3. IC 36-7-14-51 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 51. (a) As used in this section, "improvement" means the construction, reconstruction, or repair of public ways, sidewalks, sewers, drains, fences, or buildings, and all other things that would make real property more suitable for retail and recreational use.

(b) Whenever a redevelopment commission finds that:

(1) the public health and welfare would benefit from a plan of improvements to a proposed sales tax increment financing area; and

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(2) there are significant obstacles to the development of the proposed sales tax increment financing area that cannot be corrected by regulatory processes or the ordinary operations of private enterprise without resort to this chapter; the redevelopment commission shall have the data described in subsection (c) prepared for the proposed sales tax increment financing area.

(c) After making a finding under subsection (b), the redevelopment commission shall have the following prepared:

(1) Maps and plats showing:

(A) the boundaries of the proposed sales tax increment financing area, the location of the various parcels of property, streets, alleys, and other features affecting the acquisition, clearance, replatting, replanning, rezoning, or improvement of the area, indicating any parcels of property to be acquired for the project; and

(B) the parts of the proposed sales tax increment financing area that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes under the proposed plan of improvements.

(2) Lists of the owners of the various parcels of property proposed to be acquired.

(3) An estimate of the cost of acquisition and improvement.

(d) After preparation of the data required by subsection (c), the redevelopment commission shall adopt a resolution declaring that:

(1) the plan of improvements to the proposed sales tax increment financing area will be of public utility and benefit; and

(2) the proposed sales tax increment financing area is designated as a sales tax increment financing area for the purpose of making real property within the sales tax increment financing area more suitable for retail or recreational use.

The resolution must state the general boundaries of the sales tax increment financing area, and any interests in land within the boundaries of the sales tax increment financing area that the department of redevelopment proposes to acquire, if any.

(e) For the purpose of adopting a resolution under subsection (d), the resolution may describe the boundaries of the sales tax increment financing area by their location in relation to public ways or streams, or otherwise, as determined by the commissioners. Property excepted from the acquisition may be

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described by street numbers or location.

SECTION 4. IC 36-7-14-52 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 52. (a) This subsection does not apply to the redevelopment commission of an excluded city described in section 1(b) of this chapter. After adoption of a resolution under section 51 of this chapter, the redevelopment commission shall submit the resolution and supporting data to the plan commission of the unit, or if there is no plan commission, then to the body charged with the duty of developing a general plan for the unit, if there is such a body. The plan commission may determine whether the resolution and the redevelopment plan conform to the plan of development for the unit and approve or disapprove the resolution and plan proposed. The redevelopment commission may amend or modify the resolution and proposed plan in order to conform them to the requirements of the plan commission. The plan commission shall issue its written order approving or disapproving the resolution and redevelopment plan, and may, with the consent of the redevelopment commission, rescind or modify that order.**

(b) This subsection does not apply to the redevelopment commission of an excluded city described in section 1(b) of this chapter. The redevelopment commission may not proceed with the plan of improvements for the sales tax increment financing area until the approving order of the plan commission is issued and approved by the municipal legislative body or county executive and the sales tax increment financing area is reviewed by the budget committee and approved by the budget agency under subsection (d).

(c) A redevelopment commission in an excluded city that is exempt from the requirements of subsections (a) and (b) shall submit the resolution and supporting data to the municipal legislative body of the excluded city. The municipal legislative body may:

(1) determine if the resolution and the plan of improvements conform to the plan of development for the unit; and

(2) approve or disapprove the resolution and plan proposed.

The redevelopment commission may not proceed with the plan of improvements for the sales tax increment financing area until the sales tax increment financing area is reviewed by the budget committee and approved by the budget agency under subsection (d).

(d) After approval under subsection (b) or (c), a proposal

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designating a sales tax increment financing area must be submitted to the budget committee for review and recommendation to the budget agency. If the budget agency fails to take action on a proposal designating a sales tax increment financing area within one hundred twenty (120) days after the proposal is submitted to the budget committee, the designation of the sales tax increment financing area is considered to be approved by the budget agency. The budget agency must make the following findings before it may approve a sales tax increment financing area:

(1) The area to be designated as a sales tax increment financing area meets the conditions necessary for designation as a sales tax increment financing area.

(2) The designation of the sales tax increment financing area will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the sales tax increment financing area.

SECTION 5. IC 36-7-14-53 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 53. (a) All of the rights, powers, privileges, and immunities that may be exercised by the redevelopment commission in a redevelopment project area or urban renewal area may be exercised by the commission in a sales tax increment financing area, subject to the following:

(1) The content and manner of exercise of these rights, powers, privileges, and immunities shall be determined by the purposes and nature of a sales tax increment financing area.

(2) Real property (or interests in real property) relative to which action is taken in a sales tax increment financing area is not required to meet the conditions described in IC 36-7-1-3.

(3) The special tax levied in accordance with section 27 of this chapter may not be used to finance a plan of improvements for a sales tax increment finance area.

(4) Bonds may be issued in accordance with section 25.1 of this chapter to defray expenses of carrying out activities under this chapter in sales tax increment financing areas, except that the term of a bond issued to finance a plan of improvements in a sales tax increment financing area may not exceed thirty (30) years. Principal and interest on bonds issued to finance a plan of improvements in a sales tax increment financing area must be paid from the gross retail incremental amount (as defined in section 55(b) of this

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chapter) for the sales tax increment financing area.

(b) The content and manner of discharge of duties set forth in section 11 of this chapter shall be determined by the purposes and nature of a sales tax increment financing area.

SECTION 6. IC 36-7-14-54 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 54. (a) After a redevelopment commission designates a sales tax increment financing area under section 50 of this chapter and the sales tax increment financing area is reviewed by the budget committee and approved by the budget agency under section 52 of this chapter, a unit shall create a special revolving fund to be known as the sales tax increment financing fund to provide money for the purposes of the sales tax increment financing area. The redevelopment commission shall administer the fund. The fund consists of:

- (1) deposits of gross retail and use tax revenue under section 56 of this chapter; and
- (2) transfers of any available and unappropriated money of the unit into the fund by the unit's legislative body.

Money in the fund does not revert to the unit's general fund at the end of the unit's fiscal year.

(b) After a redevelopment commission designates a sales tax increment financing area or modifies the boundaries of a sales tax increment financing area under section 50 of this chapter and the sales tax increment financing area is reviewed by the budget committee and approved by the budget agency under section 52 of this chapter, the redevelopment commission shall send a certified copy of the corresponding resolution to the department of state revenue by certified mail and shall include with the resolution a complete list of the following:

- (1) Businesses operating in the sales tax increment financing area.
- (2) The date on which each business began operating in the sales tax increment financing area.
- (3) Street names and the range of street numbers of each street in the district.
- (4) The federal tax identification number of each business in the district.
- (5) The street address of each business in the district.
- (6) The name, telephone number, and electronic mail address (if available) of a contact person for each business in the district.

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(c) The redevelopment commission shall update a list compiled under subsection (b):

(1) before July 1 of each year; or

(2) within fifteen (15) days after the date that the redevelopment commission adopts a resolution to modify the boundaries of the sales tax financing area under section 51 of this chapter.

SECTION 7. IC 36-7-14-55 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 55. (a) As used in this section, "gross retail incremental amount" for a sales tax increment financing area designated under section 50 of this chapter and reviewed by the budget committee and approved by the budget agency under section 52 of this chapter for a state fiscal year means:

(1) the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 during the state fiscal year by businesses that began operating in the sales tax increment financing area after the start date of the sales tax increment financing area; multiplied by

(2) twenty-five percent (25%).

(b) As used in this section, "start date" means the date on which the budget agency approves a sales tax increment financing area under section 52 of this chapter. A sales tax increment financing area whose boundaries are modified retains the original start date of the sales tax increment financing area.

(c) Before the first business day in October of each year, the department of state revenue shall calculate the gross retail incremental amount for the preceding state fiscal year for each district designated under this chapter.

(d) A business operating in the district shall report, in the manner and in the form prescribed by the department of state revenue, information that the department of state revenue determines necessary to calculate incremental gross retail and use taxes.

(e) Not later than sixty (60) days after receiving a certification of a district's modified boundaries under section 50 of this chapter, the department of state revenue shall recalculate the gross retail incremental amount for the preceding state fiscal year for a district modified under section 50 of this chapter.

SECTION 8. IC 36-7-14-56 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 56. (a) If a redevelopment commission designates a

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1 sales tax increment financing area under this chapter and the sales
 2 tax increment financing area is reviewed by the budget committee
 3 and approved by the budget agency under section 52 of this
 4 chapter, the treasurer of state shall establish an incremental tax
 5 financing fund for the area. The fund shall be administered by the
 6 treasurer of state. Money in the fund does not revert to the state
 7 general fund at the end of a state fiscal year.

8 (b) Twenty-five percent (25%) of the aggregate amount of state
 9 gross retail and use taxes that are remitted under IC 6-2.5 by
 10 businesses that begin operating in the sales tax increment financing
 11 area after the start date (as defined in section 55(a) of this chapter)
 12 shall be deposited during each state fiscal year in the incremental
 13 tax financing fund established for the sales tax increment financing
 14 area under subsection (a) until the amount of state gross retail and
 15 use taxes deposited equals the gross retail incremental amount (as
 16 defined in section 55(b) of this chapter) for the sales tax increment
 17 financing area.

18 (c) On or before the twentieth day of each month, all amounts
 19 held in the incremental tax financing fund established for a sales
 20 tax increment financing area shall be distributed to the
 21 redevelopment commission for deposit in the sales tax increment
 22 financing fund established under section 54(a) of this chapter.

23 SECTION 9. IC 36-7-14-57 IS ADDED TO THE INDIANA CODE
 24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 25 1, 2007]: Sec. 57. (a) A redevelopment commission shall terminate
 26 a sales tax increment financing area under this chapter by
 27 resolution at the earliest occurrence of the following:

28 (1) The date thirty (30) years after the date on which a
 29 resolution designating the sales tax increment financing area
 30 was adopted under section 51 of this chapter.

31 (2) The earliest date on which:

32 (A) the plan of improvements for the sales tax increment
 33 financing area is completed or abandoned;

34 (B) there are no remaining outstanding bonds or leases for
 35 which payments from the gross retail incremental amount
 36 (as defined in section 55(a) of this chapter) were pledged;
 37 and

38 (C) all other creditors and vendors that furnished money,
 39 goods, or services in connection with the plan of
 40 improvements, including their successors or assigns, are
 41 paid in full.

42 (3) either:

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(A) the plan of improvements for the sales tax increment financing area is completed or abandoned; or

(B) a zoning or similar ordinance fails to restrict the occupancy of a parcel in the sales tax increment financing area to a person that is a retail merchant (as defined in IC 6-2.5-1-8);

(4) there are no remaining outstanding bonds or leases for which payments from the gross retail incremental amount (as defined in section 55(b) of this chapter) were pledged; and

(5) all other creditors and vendors that furnished money, goods, or services in connection with the plan of improvements, including their successors or assigns, are paid in full.

(b) A redevelopment commission that adopts a resolution under subsection (a) shall send a certified copy of the resolution by certified mail to:

(1) the department of state revenue; and

(2) the treasurer of state.

(c) Any money remaining in the sales tax increment financing fund of a redevelopment commission on the date a resolution under subsection (a) is adopted shall be sent to the treasurer of state for distribution in accordance with IC 6-2.5-10-1.

(d) Subject to the provisions of this section, a redevelopment commission shall designate the duration of the sales tax increment financing area. However, a sales tax increment financing area that is not terminated by the redevelopment commission under subsection (a) must terminate not later than twenty (20) years after the gross retail incremental amount is first distributed to the redevelopment commission. Notwithstanding any other provision, after a sales tax increment financing area terminates under this chapter, no additional sales tax increment financing areas may be designated under this chapter in the county.

SECTION 10. IC 36-7-15.1-59 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 59. (a) Except as provided in subsection (b), a sales tax increment financing area designated under section 60 of this chapter may comprise all or part of one (1) or more of the following geographic areas within the redevelopment district:

(1) A circular area having a radius of one-fourth (1/4) mile centered on a highway interchange, at least one (1) highway of which is an interstate highway.

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(2) An area extending outward from the perimeter of an airport for two thousand five hundred (2,500) feet.

(3) An area extending for five hundred (500) feet on each side of the center line of one (1) or more of the following systems:

(A) Recreational trails.

(B) Commuter rail lines.

(4) A circular area having a radius of one hundred (100) feet centered on a public or private bus stop.

(5) A parcel that includes any part of an area described in subdivisions (1) through (4).

(b) All or part of a geographic area described in subsection (a) may be included in a sales tax increment financing area designated under section 60 of this chapter only to the extent that the geographic area is not part of an area or a district in which a state gross retail or use tax increment is captured under this chapter or any other law.

SECTION 11. IC 36-7-15.1-60 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 60. (a) Subject to section 59 of this chapter, a commission may, by following the procedures set forth in sections 10, 61, and 62 of this chapter, approve a plan for and designate a sales tax increment financing area.

(b) Subject to section 59 of this chapter, a commission may, by following the procedures set forth in sections 10, 61, and 62 of this chapter, modify a plan for or the boundaries of a sales tax increment financing area.

(c) A final action taken by a commission under section 10(d) of this chapter concerning a sales tax increment financing area is subject to judicial review in accordance with section 11 of this chapter.

SECTION 12. IC 36-7-15.1-61 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 61. (a) As used in this section, "improvement" means the construction, reconstruction, or repair of public ways, sidewalks, sewers, drains, fences, or buildings, and all other things that would enhance the value of real property and make it more suitable for industrial, commercial, retail, or recreational use.

(b) Whenever a commission finds that:

(1) the public health and welfare would benefit from a plan of improvements to a proposed sales tax increment financing area; and

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(2) there are significant obstacles to the development of the proposed sales tax increment financing area that cannot be corrected by regulatory processes or the ordinary operations of private enterprise without resort to this chapter;
the commission shall have the data described in subsection (c) prepared for the proposed sales tax increment financing area.

(c) After making a finding under subsection (b), the commission shall have the following prepared:

(1) Maps and plats showing:

(A) the boundaries of the proposed sales tax increment financing area, the location of the various parcels of property, streets, alleys, and other features affecting the acquisition, clearance, replatting, replanning, rezoning, or improvement of the area, indicating any parcels of property to be acquired for the project; and

(B) the parts of the proposed sales tax increment financing area that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes under the proposed plan of improvements.

(2) Lists of the owners of the various parcels of property proposed to be acquired.

(3) An estimate of the cost of acquisition and improvement.

(d) After preparation of the data required by subsection (c), the commission shall adopt a resolution declaring that:

(1) the plan of improvements to the proposed sales tax increment financing area will be of public utility and benefit; and

(2) the proposed sales tax increment financing area is designated as a sales tax increment financing area for purposes of this chapter.

The resolution must state the general boundaries of the sales tax increment financing area, and any interests in land within the boundaries of the sales tax increment financing area that the department of redevelopment proposes to acquire, if any.

(e) For the purpose of adopting a resolution under subsection (d), the resolution may describe the boundaries of the sales tax increment financing area by their location in relation to public ways or streams, or otherwise, as determined by the commissioners. Property excepted from the acquisition may be described by street numbers or location.

SECTION 13. IC 36-7-15.1-62 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2007]: **Sec. 62.** After or concurrent with the adoption of a resolution under section 61 of this chapter, the commission shall determine whether the resolution and plan of improvements conform to the comprehensive plan of development for the consolidated city and approve or disapprove the resolution and the proposed plan.

SECTION 14. IC 36-7-15.1-63 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 63. (a)** All the rights, powers, privileges, and immunities that may be exercised by the commission in a redevelopment project area or urban renewal area may be exercised by the commission in a sales tax increment financing area, subject to the following:

(1) The content and manner of exercise of these rights, powers, privileges, and immunities shall be determined by the purposes and nature of a sales tax increment financing area.

(2) Real property (or interests in real property) relative to which action is taken in a sales tax increment financing area is not required to meet the conditions described in IC 36-7-1-3.

(3) The special tax levied in accordance with section 16 of this chapter may not be used to finance a plan of improvements for a sales tax increment finance area.

(4) Bonds may be issued in accordance with section 17 of this chapter to defray expenses of carrying out activities under this chapter in sales tax increment financing areas, except that the term of a bond issued to finance a plan of improvements in a sales tax increment financing area may not exceed thirty (30) years. Principal and interest on bonds issued to finance a plan of improvements in a sales tax increment financing area must be paid from the gross retail incremental amount (as defined in section 65(a) of this chapter) for the sales tax increment financing area.

(b) The content and manner of discharge of duties set forth in section 6 of this chapter shall be determined by the purposes and nature of a sales tax increment financing area.

SECTION 15. IC 36-7-15.1-64 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 64. (a)** After a commission designates a sales tax increment financing area under section 60 of this chapter, a unit shall create a special revolving fund to be known as the sales tax increment financing fund to provide money

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for the purposes of the sales tax increment financing area. The commission shall administer the fund. The fund consists of:

- (1) deposits of gross retail and use tax revenue under section 66 of this chapter; and
- (2) transfers of any available and unappropriated money of the unit into the fund by the unit's legislative body.

Money in the fund does not revert to the unit's general fund at the end of the unit's fiscal year.

(b) After a commission designates a sales tax increment financing area or modifies the boundaries of a sales tax increment financing area under section 60 of this chapter, the commission shall send a certified copy of the corresponding resolution to the department of state revenue by certified mail and shall include with the resolution a complete list of the following:

- (1) Businesses operating in the sales tax increment financing area.
- (2) The date on which each business began operating in the sales tax increment financing area.
- (3) Street names and the range of street numbers of each street in the district.
- (4) The federal tax identification number of each business in the district.
- (5) The street address of each business in the district.
- (6) The name, telephone number, and electronic mail address (if available) of a contact person for each business in the district.

(c) The commission shall update a list compiled under subsection (b):

- (1) before July 1 of each year; or
- (2) within fifteen (15) days after the date that the commission adopts a resolution to modify the boundaries of the sales tax financing area under section 61 of this chapter.

SECTION 16. IC 36-7-15.1-65 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 65. (a) As used in this section, "gross retail incremental amount" for a sales tax increment financing area designated under section 60 of this chapter for a state fiscal year means:

- (1) the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 during the state fiscal year by businesses that begin operating in the sales tax increment financing area after the start date of the sales tax increment

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financing area; multiplied by

(2) fifty percent (50%).

(b) As used in this section, "start date" means the date on which a commission adopts a resolution designating a sales tax increment financing area under section 61 of this chapter. A sales tax increment financing area whose boundaries are modified retains the original start date of the sales tax increment financing area.

(c) Before the first business day in October of each year, the department of state revenue shall calculate the gross retail incremental amount for the preceding state fiscal year for each district designated under this chapter.

(d) A business operating in the district shall report, in the manner and in the form prescribed by the department of state revenue, information that the department of state revenue determines necessary to calculate incremental gross retail and use taxes.

(e) Not later than sixty (60) days after receiving a certification of a district's modified boundaries under section 60 of this chapter, the department of state revenue shall recalculate the gross retail incremental amount for the preceding state fiscal year for a district modified under section 60 of this chapter.

SECTION 17. IC 36-7-15.1-66 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 66. (a) If a commission designates a sales tax increment financing area under this chapter, the treasurer of state shall establish an incremental tax financing fund for the area. The fund shall be administered by the treasurer of state. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) Fifty percent (50%) of the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses that begin operating in the sales tax increment financing area after the start date (as defined in section 65(b) of this chapter) shall be deposited during each state fiscal year in the incremental tax financing fund established for the sales tax increment financing area under subsection (a) until the amount of state gross retail and use taxes deposited equals the gross retail incremental amount (as defined in section 65(a) of this chapter) for the sales tax increment financing area.

(c) On or before the twentieth day of each month, all amounts held in the incremental tax financing fund established for a sales tax increment financing area shall be distributed to the commission

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1 for deposit in the sales tax increment financing fund established
2 under section 64(a) of this chapter.

3 SECTION 18. IC 36-7-15.1-67 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2007]: Sec. 67. (a) A commission shall
6 terminate a sales tax increment financing area under this chapter
7 by resolution at the earliest occurrence of the following:

8 (1) The date thirty (30) years after the date on which a
9 resolution designating the sales tax increment financing area
10 was adopted under section 61 of this chapter.

11 (2) The earliest date on which:

12 (A) the plan of improvements for the sales tax increment
13 financing area is completed or abandoned;

14 (B) there are no remaining outstanding bonds or leases for
15 which payments from the gross retail incremental amount
16 (as defined in section 65(a) of this chapter) were pledged;
17 and

18 (C) all other creditors and vendors that furnished money,
19 goods, or services in connection with the plan of
20 improvements, including their successors or assigns, are
21 paid in full.

22 (b) A commission that adopts a resolution under subsection (a)
23 shall send a certified copy of the resolution by certified mail to:

24 (1) the department of state revenue; and

25 (2) the treasurer of state.

26 (c) Any money remaining in the sales tax increment financing
27 fund of a commission on the date a resolution under subsection (a)
28 is adopted shall be sent to the treasurer of state for distribution in
29 accordance with IC 6-2.5-10-1.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1470, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 16, nays 4.

 HOUSE MOTION

Mr. Speaker: I move that House Bill 1470 be amended to read as follows:

Page 4, line 42, delete "." and insert ", **except that the term of a bond issued to finance a plan of improvements in a sales tax increment financing area may not exceed thirty (30) years.**".

Page 7, line 25, delete "if:" and insert "**at the earliest occurrence of the following:**

- (1) **The date thirty (30) years after the date on which a resolution designating the sales tax increment financing area was adopted under section 51 of this chapter.**
- (2) **The earliest date on which:**
 - (A) **the plan of improvements for the sales tax increment financing area is completed or abandoned;**
 - (B) **there are no remaining outstanding bonds or leases for which payments from the gross retail incremental amount (as defined in section 55(a) of this chapter) were pledged; and**
 - (C) **all other creditors and vendors that furnished money, goods, or services in connection with the plan of improvements, including their successors or assigns, are paid in full.**

Page 7, delete lines 26 through 34.

Page 8, after line 1, begin a new paragraph and insert:

"SECTION 10. IC 36-7-15.1-59 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 59. (a) Except as provided in subsection (b), a sales tax increment financing area designated under section 60 of this chapter may comprise all or part of one (1) or more of the following geographic areas within the**

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redevelopment district:

- (1) A circular area having a radius of one-fourth (1/4) mile centered on a highway interchange, at least one (1) highway of which is an interstate highway.
- (2) An area extending outward from the perimeter of an airport for two thousand five hundred (2,500) feet.
- (3) An area extending for five hundred (500) feet on each side of the center line of one (1) or more of the following systems:
 - (A) Recreational trails.
 - (B) Commuter rail lines.
- (4) A circular area having a radius of one hundred (100) feet centered on a public or private bus stop.
- (5) A parcel that includes any part of an area described in subdivisions (1) through (4).

(b) All or part of a geographic area described in subsection (a) may be included in a sales tax increment financing area designated under section 60 of this chapter only to the extent that the geographic area is not part of an area or a district in which a state gross retail or use tax increment is captured under this chapter or any other law.

SECTION 11. IC 36-7-15.1-60 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 60. (a)** Subject to section 59 of this chapter, a commission may, by following the procedures set forth in sections 10, 61, and 62 of this chapter, approve a plan for and designate a sales tax increment financing area.

(b) Subject to section 59 of this chapter, a commission may, by following the procedures set forth in sections 10, 61, and 62 of this chapter, modify a plan for or the boundaries of a sales tax increment financing area.

(c) A final action taken by a commission under section 10(d) of this chapter concerning a sales tax increment financing area is subject to judicial review in accordance with section 11 of this chapter.

SECTION 12. IC 36-7-15.1-61 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 61. (a)** As used in this section, "improvement" means the construction, reconstruction, or repair of public ways, sidewalks, sewers, drains, fences, or buildings, and all other things that would enhance the value of real property and make it more suitable for industrial, commercial, retail, or recreational use.



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(b) Whenever a commission finds that:

(1) the public health and welfare would benefit from a plan of improvements to a proposed sales tax increment financing area; and

(2) there are significant obstacles to the development of the proposed sales tax increment financing area that cannot be corrected by regulatory processes or the ordinary operations of private enterprise without resort to this chapter;

the commission shall have the data described in subsection (c) prepared for the proposed sales tax increment financing area.

(c) After making a finding under subsection (b), the commission shall have the following prepared:

(1) Maps and plats showing:

(A) the boundaries of the proposed sales tax increment financing area, the location of the various parcels of property, streets, alleys, and other features affecting the acquisition, clearance, replatting, replanning, rezoning, or improvement of the area, indicating any parcels of property to be acquired for the project; and

(B) the parts of the proposed sales tax increment financing area that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes under the proposed plan of improvements.

(2) Lists of the owners of the various parcels of property proposed to be acquired.

(3) An estimate of the cost of acquisition and improvement.

(d) After preparation of the data required by subsection (c), the commission shall adopt a resolution declaring that:

(1) the plan of improvements to the proposed sales tax increment financing area will be of public utility and benefit; and

(2) the proposed sales tax increment financing area is designated as a sales tax increment financing area for purposes of this chapter.

The resolution must state the general boundaries of the sales tax increment financing area, and any interests in land within the boundaries of the sales tax increment financing area that the department of redevelopment proposes to acquire, if any.

(e) For the purpose of adopting a resolution under subsection (d), the resolution may describe the boundaries of the sales tax increment financing area by their location in relation to public ways or streams, or otherwise, as determined by the

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commissioners. Property excepted from the acquisition may be described by street numbers or location.

SECTION 13. IC 36-7-15.1-62 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 62. After or concurrent with the adoption of a resolution under section 61 of this chapter, the commission shall determine whether the resolution and plan of improvements conform to the comprehensive plan of development for the consolidated city and approve or disapprove the resolution and the proposed plan.**

SECTION 14. IC 36-7-15.1-63 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 63. (a) All the rights, powers, privileges, and immunities that may be exercised by the commission in a redevelopment project area or urban renewal area may be exercised by the commission in a sales tax increment financing area, subject to the following:**

- (1) The content and manner of exercise of these rights, powers, privileges, and immunities shall be determined by the purposes and nature of a sales tax increment financing area.**
- (2) Real property (or interests in real property) relative to which action is taken in a sales tax increment financing area is not required to meet the conditions described in IC 36-7-1-3.**
- (3) The special tax levied in accordance with section 16 of this chapter may not be used to finance a plan of improvements for a sales tax increment finance area.**
- (4) Bonds may be issued in accordance with section 17 of this chapter to defray expenses of carrying out activities under this chapter in sales tax increment financing areas, except that the term of a bond issued to finance a plan of improvements in a sales tax increment financing area may not exceed thirty (30) years. Principal and interest on bonds issued to finance a plan of improvements in a sales tax increment financing area must be paid from the gross retail incremental amount (as defined in section 65(a) of this chapter) for the sales tax increment financing area.**

(b) The content and manner of discharge of duties set forth in section 6 of this chapter shall be determined by the purposes and nature of a sales tax increment financing area.

SECTION 15. IC 36-7-15.1-64 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS



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[EFFECTIVE JULY 1, 2007]: Sec. 64. (a) After a commission designates a sales tax increment financing area under section 60 of this chapter, a unit shall create a special revolving fund to be known as the sales tax increment financing fund to provide money for the purposes of the sales tax increment financing area. The commission shall administer the fund. The fund consists of:

- (1) deposits of gross retail and use tax revenue under section 66 of this chapter; and
- (2) transfers of any available and unappropriated money of the unit into the fund by the unit's legislative body.

Money in the fund does not revert to the unit's general fund at the end of the unit's fiscal year.

(b) After a commission designates a sales tax increment financing area or modifies the boundaries of a sales tax increment financing area under section 60 of this chapter, the commission shall send a certified copy of the corresponding resolution to the department of state revenue by certified mail and shall include with the resolution a complete list of the following:

- (1) Businesses operating in the sales tax increment financing area.
- (2) The date on which each business began operating in the sales tax increment financing area.
- (3) Street names and the range of street numbers of each street in the district.
- (4) The federal tax identification number of each business in the district.
- (5) The street address of each business in the district.
- (6) The name, telephone number, and electronic mail address (if available) of a contact person for each business in the district.

(c) The commission shall update a list compiled under subsection (b):

- (1) before July 1 of each year; or
- (2) within fifteen (15) days after the date that the commission adopts a resolution to modify the boundaries of the sales tax financing area under section 61 of this chapter.

SECTION 16. IC 36-7-15.1-65 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 65. (a) As used in this section, "gross retail incremental amount" for a sales tax increment financing area designated under section 60 of this chapter for a state fiscal year means:

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- (1) the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 during the state fiscal year by businesses that begin operating in the sales tax increment financing area after the start date of the sales tax increment financing area; multiplied by
- (2) fifty percent (50%).

(b) As used in this section, "start date" means the date on which a commission adopts a resolution designating a sales tax increment financing area under section 61 of this chapter. A sales tax increment financing area whose boundaries are modified retains the original start date of the sales tax increment financing area.

(c) Before the first business day in October of each year, the department of state revenue shall calculate the gross retail incremental amount for the preceding state fiscal year for each district designated under this chapter.

(d) A business operating in the district shall report, in the manner and in the form prescribed by the department of state revenue, information that the department of state revenue determines necessary to calculate incremental gross retail and use taxes.

(e) Not later than sixty (60) days after receiving a certification of a district's modified boundaries under section 60 of this chapter, the department of state revenue shall recalculate the gross retail incremental amount for the preceding state fiscal year for a district modified under section 60 of this chapter.

SECTION 17. IC 36-7-15.1-66 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 66. (a) If a commission designates a sales tax increment financing area under this chapter, the treasurer of state shall establish an incremental tax financing fund for the area. The fund shall be administered by the treasurer of state. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) Fifty percent (50%) of the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses that begin operating in the sales tax increment financing area after the start date (as defined in section 65(b) of this chapter) shall be deposited during each state fiscal year in the incremental tax financing fund established for the sales tax increment financing area under subsection (a) until the amount of state gross retail and use taxes deposited equals the gross retail incremental amount (as defined in section 65(a) of this chapter) for the sales tax increment

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financing area.

(c) On or before the twentieth day of each month, all amounts held in the incremental tax financing fund established for a sales tax increment financing area shall be distributed to the commission for deposit in the sales tax increment financing fund established under section 64(a) of this chapter.

SECTION 18. IC 36-7-15.1-67 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 67. (a) A commission shall terminate a sales tax increment financing area under this chapter by resolution at the earliest occurrence of the following:**

(1) The date thirty (30) years after the date on which a resolution designating the sales tax increment financing area was adopted under section 61 of this chapter.

(2) The earliest date on which:

(A) the plan of improvements for the sales tax increment financing area is completed or abandoned;

(B) there are no remaining outstanding bonds or leases for which payments from the gross retail incremental amount (as defined in section 65(a) of this chapter) were pledged; and

(C) all other creditors and vendors that furnished money, goods, or services in connection with the plan of improvements, including their successors or assigns, are paid in full.

(b) A commission that adopts a resolution under subsection (a) shall send a certified copy of the resolution by certified mail to:

(1) the department of state revenue; and

(2) the treasurer of state.

(c) Any money remaining in the sales tax increment financing fund of a commission on the date a resolution under subsection (a) is adopted shall be sent to the treasurer of state for distribution in accordance with IC 6-2.5-10-1."

Renumber all SECTIONS consecutively.

(Reference is to HB 1470 as printed February 20, 2007.)

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1470 be amended to read as follows:

Page 2, between lines 22 and 23, begin a new paragraph and insert:

"(d) Notwithstanding any other provision, only one (1) sales tax increment financing area may be designated under this chapter in a particular county. After that sales tax increment financing area terminates under this chapter, no additional sales tax increment financing areas may be designated under this chapter in that county."

Page 4, line 14, after "executive" delete "." and insert **"and the sales tax increment financing area is reviewed by the budget committee and approved by the budget agency under subsection (d)."**

Page 4, between lines 22 and 23, begin a new line blocked left and insert:

"The redevelopment commission may not proceed with the plan of improvements for the sales tax increment financing area until the sales tax increment financing area is reviewed by the budget committee and approved by the budget agency under subsection (d).

(d) After approval under subsection (b) or (c), a proposal designating a sales tax increment financing area must be submitted to the budget committee for review and recommendation to the budget agency. If the budget agency fails to take action on a proposal designating a sales tax increment financing area within one hundred twenty (120) days after the proposal is submitted to the budget committee, the designation of the sales tax increment financing area is considered to be approved by the budget agency. The budget agency must make the following findings before it may approve a sales tax increment financing area:

(1) The area to be designated as a sales tax increment financing area meets the conditions necessary for designation as a sales tax increment financing area.

(2) The designation of the sales tax increment financing area will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the sales tax increment financing area."

Page 5, line 13, after "chapter" delete "," and insert **"and the sales tax increment financing area is reviewed by the budget committee and approved by the budget agency under section 52 of this chapter,"**

Page 5, line 26, after "chapter" delete "," and insert **"and the sales**

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tax increment financing area is reviewed by the budget committee and approved by the budget agency under section 52 of this chapter,".

Page 6, line 12, after "chapter" insert **"and reviewed by the budget committee and approved by the budget agency under section 52 of this chapter"**.

Page 6, line 19, delete "fifty percent (50%)." and insert **"twenty-five percent (25%)"**.

Page 6, line 20, after "which" insert **"the budget agency approves a sales tax increment financing area under section 52 of this chapter."**.

Page 6, delete lines 21 through 22.

Page 7, line 1, after "chapter" delete "," and insert **"and the sales tax increment financing area is reviewed by the budget committee and approved by the budget agency under section 52 of this chapter,"**.

Page 7, line 6, delete "Fifty percent (50%)" and insert **"Twenty-five percent (25%)"**.

Page 8, after line 1, begin a new paragraph and insert:

"(d) Subject to the provisions of this section, a redevelopment commission shall designate the duration of the sales tax increment financing area. However, a sales tax increment financing area that is not terminated by the redevelopment commission under subsection (a) must terminate not later than twenty (20) years after the gross retail incremental amount is first distributed to the redevelopment commission. Notwithstanding any other provision, after a sales tax increment financing area terminates under this chapter, no additional sales tax increment financing areas may be designated under this chapter in the county."

(Reference is to HB 1470 as printed February 20, 2007.)

KUZMAN

HOUSE MOTION

Mr. Speaker: I move that House Bill 1470 be amended to read as follows:

Page 1, line 3, delete "Except as provided in subsection (b)," and insert **"Subject to subsections (b) and (c),"**.

Page 2, between lines 8 and 9, begin a new paragraph and insert:

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"(c) A zoning or similar ordinance must restrict the occupancy of each parcel in a sales tax increment financing area to a person that is a retail merchant (as defined in IC 6-2.5-1-8)."

Page 2, line 27, after "things" insert **"that would make real property more suitable for retail and recreational use."**

Page 2, delete lines 28 through 29.

Page 3, line 21, after "for" insert **"the purpose of making real property within the sales tax increment financing area more suitable for retail or recreational use."**

Page 3, delete line 22.

Page 7, line 26, after "(1)" insert **"either: (A)".**

Page 7, line 27, after "abandoned;" insert **"or (B) a zoning or similar ordinance fails to restrict the occupancy of a parcel in the sales tax increment financing area to a person that is a retail merchant (as defined in IC 6-2.5-1-8);"**

Renumber all SECTIONS consecutively.

(Reference is to HB 1470 as printed February 20, 2007.)

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